

Old Age, Disability, Death

First laws: 1891 (old age) and 1921 (disability).

Current laws: 1964 (labor-market supplementary pension, ATP) and 1998 amendment (special pension savings scheme, SP, effective January 1999), 1984 (universal old-age and disability pensions) and amendments, and 1986 (partial early retirement pension) and amendments.

Type of program: Dual universal and social insurance systems.

Exchange rate: U.S.\$1.00 equals 6.47 kroner.

Coverage

Universal pension: Resident citizens aged 16-66; aliens meeting minimum residency requirements or covered by reciprocity agreements.

Labor-market supplementary old-age pension (ATP): Employees aged 16-66 (including persons on parental leave, recipients of cash sickness or unemployment benefits). Optional for self-employed. Also optional for recipients of disability pensions and early retirement benefit (see Unemployment section below).

Special pension savings scheme (SP): Employees aged 16-66 (including persons on parental leave, recipients of cash sickness or unemployment benefits), and self-employed.

Source of Funds

Insured person: Universal pensions, none. Labor-market supplementary pension (ATP): up to 894 kroner (maximum tax, full time worker) a year. Special pension savings scheme (SP): Starting from January 1999, 1% of gross income.

Employer: Universal pensions, none. Labor-market supplementary pension (ATP): up to 1,788 kroner (maximum tax, full time worker) per employee per year. Special pension savings scheme (SP): none.

Government: Universal pensions (including earnings- or income-tested benefits), financed by the national government.

Labor-market supplementary pension (ATP) and Special pension savings scheme (SP), none.

Qualifying Conditions

Old-age pension:

Universal pensions: Basic old-age pension (earnings-tested) and Universal old-age supplement (income-tested)—payable from age 67; at least 3 years' residence from age 16 through 66. Full pension: 40 years' residence (benefits prorated if fewer years of residence). Payable abroad.

Universal partial early retirement pension: Aged 60-66, employed full time for at least 10 years out of the last 20; must continue to work 12-30 hours a week.

Labor-market supplementary pension (ATP) and Special pension savings scheme (SP): payable at age 67, no earnings or income test. Maximum ATP benefit: full coverage since 1964 from the start of program.

Payable abroad.

Disability (anticipatory) pensions:

Universal pensions: Basic disability pension and Universal disability supplement (both income tested)—Payable at age 18-66 with at least 3 years' residence from age 15 if working capacity reduced by at least 50% due to physical, mental and/or social reasons (e.g., age, education, occupation, employment history, marital status, etc.).

Full pension: residence for at least 4/5 of the years between age 15 and the day pension payment is expected.

Disablement supplement (no test): Partial compensation of special expenses for physical or mental impairment in terms of lack of working capacity.

Unemployment supplement (no test): Partial compensation for total loss in earnings capacity due to 100% physical or mental impairment.

Permanent total (maximum) disability pension: 100% disabled due to physical or mental impairment. Payable through age 66, if initial claim for pension takes place at age 18-59. (See permanent severe disability below if initial claim takes place at age 60-66.)

Permanent severe (medium) disability pension: 2/3 disabled due to physical or mental impairment, aged 18-59 (or, 100% disability if initial claim takes place aged 60-66).

Partial (low or early) disability pension: at least 1/2 disabled due to physical, mental, and/or social reasons, aged 18-66.

Early pension supplement to partial disability (no income test):

Partial compensation for expected higher living expenses for younger pensioners. Payable at age 18-59, if disability to work reduced by at least 1/2 due to physical, mental, or social reasons.

(Income test required if disability caused by both health and social reasons or by social reasons only.)

Payable abroad.

Disability allowance (no income test): Aged 18-66, ineligible for pension due to high earnings, but medically certified to have at least 2/3 diminution in work capacity and deafness resulting in serious communication problems.

Outside assistance allowance (no income test): Aged 18-66, requiring personal assistance by a third person and in case of blindness or severe vision impairment.

Constant-attendance allowance (no income test): Aged 18-66, requiring constant surveillance or care by a third person.

Labor-market supplementary pension (ATP) and Special pension savings scheme (SP): Not payable for disability.

Survivor pension: Universal pension: Eliminated in 1984, benefits payable to surviving spouse under old-age or disability pensions if eligible in his/her own right. Orphans aged under 18, eligible for benefits under Family Allowances.

Labor-market supplementary pension (ATP) and Special pension savings scheme (SP): At least 10 years' coverage of deceased.

Payable in lump sum to surviving spouse and children under age 18.

Old-Age Benefits

Universal old-age pensions: Universal basic old-age pension (earnings-tested)—4,002 kroner a month; Universal old-age supplement (income-tested): 3,968 kroner a month (singles); 1,789 kroner a month (others).

Universal partial early retirement pension: Maximum, 79,464 kroner a year if work reduced to 12 hours a week.

Adjustment: Automatic adjustment of pensions each year based on wage changes.

Labor-market supplementary old-age pension (ATP): Maximum annual benefits (1998) for new pensioners having paid full contribution from 1964 to 1998: 18,000 kroner.

Special pension savings scheme (SP): Maximum, monthly benefits paid for 10 years (lump sum payments for new accounts with

relatively modest capital balances; e.g., maximum lump sum payable in year 2000 will be about 2,500 kroner).

Adjustment: Not applicable for benefits in payment under labor-market supplementary pension (ATP) and Special pension savings scheme (SP).

Permanent Disability Benefits

Universal disability (anticipatory) pensions:

Total (maximum) disability pension (if 100% disabled): 4 benefits payable—(1) Universal basic disability pension (income-tested) of 4,002 kroner a month, (2) Universal disability supplement (income-tested) of 3,968 kroner a month (singles) or 1,789 kroner a month (others), (3) Disablement supplement (no income test) of 1,947 kroner, and (4) Unemployment supplement (no income test) of 2,687 kroner a month.

Severe (medium) disability pension (if at least 2/3 disabled): 3 benefits payable—(1) Universal basic disability pension (income-tested) of 4,002 kroner a month, (2) Universal disability supplement (income-tested) of 3,968 kroner a month (singles) or 1,789 kroner a month (others), and (3) Disablement supplement (no income test) of 1,947 kroner a month.

Partial (low or early) disability pension (if capacity to work reduced by at least 1/2): 2 or 3 benefits payable—(1) Universal basic disability pension (income-tested) of 4,002 kroner a month, (2) Universal disability supplement (income-tested) of 3,968 kroner a month (singles) or 1,789 kroner a month (others), plus (3) Early pension supplement for partial disability (no income test), payable to those receiving Partial (low or early) disability pension and aged 18-59, of 1,017 kroner a month.

Disability allowance: 1,958 kroner a month.

Outside assistance allowance (no income test): 2,034 kroner a month.

Constant-attendance allowance (no income test), 4,058 kroner a month.

Adjustment: Automatic adjustment of pensions each year based on wage changes.

Labor-market supplementary pension (ATP) and Special pension savings scheme (SP): Not payable for disability.

Survivor Benefits

Survivor pension: Universal pensions, eliminated as of 1984.

Funeral grant: Lump sum (maximum of 6,950 kroner, dependent on the assets of the deceased), provided under the National Health Security Act, and adjusted each year by a percentage base on wage changes.

Labor-market supplementary survivor benefit (ATP): Lump sum related to the labor-market supplementary old-age pension paid or accrued to deceased. Payable to surviving spouse and each child under age 18.

Special pension savings scheme (SP): Capital available on account of deceased is payable to the estate of deceased.

Administrative Organization

Universal pensions: Ministry of Social Affairs, general supervision and national administration.

Local (municipal) governments: Local administration of pensions.

National Directorate of Social Security and Assistance, administers universal pensions paid abroad.

Labor-market supplementary pension (ATP) and Special pension savings scheme (SP): Ministry of Labor, general supervision.

Labor-Market Supplementary Pensions Institution (supervised by separate, tripartite ATP and SP boards of directors), administration of ATP and SP programs.

Sickness and Maternity

First law: 1892.

Current laws: 1971 (medical benefits) and amendments, and 1989 (cash benefits) and amendments.

Type of program: Dual universal (medical benefits) and direct provision (cash benefits) systems.

Coverage

Medical benefits: All residents.

Cash sickness benefits: Employees and self-employed.

Cash maternity benefits: Employees and self-employed.

Source of Funds

Insured person: Cash and medical benefits, none. (Self-employed may voluntarily contribute to cash benefit insurance against initial 2 weeks of incapacity.)

Employer: Cash benefits, whole cost for first 2 weeks, if the employee has been employed for 13 weeks with the employer prior to the absence from work. Medical benefits, none.

Government: Cash benefits, local government whole cost from 3rd week (beginning from day one, if ineligible for 2-week benefit from employer). Medical benefits, whole cost (counties).

Qualifying Conditions

Medical benefit: Resident of Denmark. If moving from another country, 6 weeks' qualifying period.

Cash sickness benefit: 120 hours employment in preceding 13 weeks.

Cash maternity benefits: 120 hours employment in preceding 13 weeks.

Sickness and Maternity Benefits

Sickness benefit: Up to 2,758 kroner a week, based on hourly wage; employees, payable from 1st day of illness; self-employed, payable from 4th week of illness (may insure voluntarily for 1st 3 weeks). Benefits under the national cash benefit program are payable weekly for 52 weeks within any 18-month period—may be extended under specified circumstances.

Maternity benefit: Up to 2,758 kroner a week; employees, payable up to 30 weeks, including: (1) 4 weeks before and 14 weeks after confinement for mother and, concurrently, 2 weeks' paid paternity leave to care for the newborn; (2) an extension of another 10 weeks after confinement for either mother or father; and (3) 2 more weeks for fathers only.

Additional leave of up to 3 months granted if child hospitalized for disease contracted in connection with birth.

Workers' Medical Benefits

Medical benefits: Free service benefits with restricted choice of doctor, or patient pays part of expenses with free choice of doctor. Includes general practitioner care, specialist care, treatment by

psychologists under special circumstances (70% of expenses), hospitalization in public hospital, 50% to 75% of cost of most prescribed drugs, maternity care by midwife or doctor, home nursing, chiropractic (30 percent of expenses), physiotherapy, limited dental care (40% of most expenses) and transportation (pensioners only). Duration: No limit (except treatment by psychologists, chiropractors and physiotherapists).

Dependents' Medical Benefits

Medical benefits for dependents: Same as for family head.

Administrative Organization

Medical benefits: Ministry of Health, general supervision and national administration.

Municipal and county governments, local administration.

Sickness and maternity benefits: Ministry of Social Affairs, general supervision and national administration. Municipal governments, local administration.

Work Injury

First law: 1898.

Current law: 1998.

Type of program: Dual universal (medical benefits) and direct provision (cash benefits) systems; compulsory income security provisions through (1) private carrier (accidents), and (2) Labor-Market Occupational Disease Fund (occupational diseases).

Coverage

Employed persons, and self-employed persons in fishing and shipping. Persons born with congenital injury/disease as a consequence of work/employment of either parent.

Source of Funds

Insured person: Employees—none. Self-employed, whole cost of insurance.

Employer: Cash benefits—same as for sickness benefit under Sickness and Maternity above.

Permanent disability pension—whole cost of compulsory income security provisions through (1) private carrier (accidents), and (2) Labor-Market Occupational Disease Fund (occupational diseases).

Government: See Sickness and Maternity, above.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: See cash sickness benefits, above.

Permanent Disability Benefits

Permanent disability pension: 80% of earnings of preceding year, if totally disabled. Maximum yearly earnings: 322,000 kroner, adjusted annually for changes in average wages.

Partial disability: Percent of full pension proportional to loss of earning capacity, if 50% to 99% disabled.

Lump sum equal to commuted value of partial pension, if 15% to 49% disabled. At age 67, pension discontinued, lump sum of 2 years' benefit paid.

Compensation for long-term incapacity to perform daily routine tasks: 390,000 kroner if 100% incapacitated; compensation reduced at lower degrees of incapacity.

Adjustment: Automatic adjustment of benefits to changes in average wage.

Workers' Medical Benefits

Workers' medical benefits: Costs of prosthesis, artificial limbs, orthopedic equipment and wheel chairs, or sometimes necessary specialist care (most medical services obtained under ordinary sickness insurance).

Survivor Benefits

Survivor pension: 30% of earnings of insured, paid up to 10 years. Payable to spouse, or cohabitant of at least 2 years.

Benefit not discontinued when contracting new marriage. At age 67, pension discontinued, lump sum of 2 years' benefit paid.

Orphans: 10% of earnings for each orphan, up to 40% maximum.

20% each full orphan, up to 50% maximum. Payable through age 18 (21 if student). Total orphans' pensions payable: 70% of earnings of insured.

Special death benefit: Lump sum of 101,000 kroner payable to spouse, or cohabitant of at least 2 years.

Adjustment: Automatic adjustment of benefits to changes in average wage.

Administrative Organization

Ministry of Social Affairs, general supervision; National Board of Industrial Injuries, direct supervision of private carriers for work accidents. Labor-Market Occupational Disease Fund (an independent, self-governing institution), administration of employer-funded programs for occupational diseases.

Unemployment

First law: 1907.

Current laws: 1970 (employees) and 1976 (self-employed).

Type of program: Subsidized voluntary insurance system.

Coverage

Employees aged 18-65, self-employed, and young persons who have completed at least 18 months vocational training, admitted to approved unemployment funds established voluntarily by trade unions in industry, commerce, office work, agriculture, handicrafts, catering, transport, and quarrying.

Source of Funds

Insured person: Membership contribution to unemployment fund (rates vary according to fund).

Employer: A part of the supplementary 3% value-added tax base of the enterprise.

Government: Any cost above insured person's and employer contributions.

Qualifying Conditions

Unemployment benefit: Membership in unemployment fund during last 12 months (self-employed included) and 52 weeks of

employment in last 3 years. Unemployment not due to voluntary leaving, misconduct, labor dispute, or refusal of suitable offer. Must be registered for employment, capable of and willing to work. Voluntary early retirement benefit (substantial changes expected in 1999): Resident aged 60-66 (including self-employed) and member of unemployment fund for 20 years during last 25 years, or 10 years during the last 15 if born before March 1, 1952.

Unemployment Benefits

Unemployment benefit: 90% of average earnings of preceding 12 weeks, up to 552 kroner a day or 144,058 kroner per year (as of January 1999). Payable from 1st day of unemployment, 5 days a week for an initial period of 2 years and followed by a second period of 3 years. (If unemployed person aged 50-59, the second period may be extended until 60th birthday for eligibility of Voluntary early retirement benefit.

Voluntary early retirement benefit (substantial changes expected in 1999): 90% of average earnings first 30 months, maximum 82% thereafter (up to 144,058 kroner and 118,221 kroner per year, respectively). May work up to 200 hours in 12-month period.

Administrative Organization

Ministry of Labor and National Employment Office, general supervision.

Recognized unemployment funds (at least 5,000 members), national administration of program; usually managed by union officials.

Local branches of unemployment funds, collection of contributions and payment of benefits.

births, 5,888 kroner a year per child when 0-6 years of age; adoption of foreign child, one-time grant of 33,947 kroner.

Adjustment: Allowance and supplements adjusted once a year based on wage changes.

Administrative Organization

Ministry of Social Affairs, general supervision and national administration.

Local (municipal) governments, local administration of program.

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Family Allowances

First law: 1952.

Current law: 1986.

Type of program: Universal system.

Coverage

Resident citizens, aliens having resided in Denmark 1 or more years (3 years for special supplement) or aliens covered by reciprocal agreements.

Source of Funds

Insured person: None.

Employer: None.

Government: Whole cost.

Qualifying Conditions

Family allowances: Child must be under age 18.

Family Allowance Benefits

Family allowances: Basic annual allowance, 11,300 kroner per child 0-2 years old, 102,000 per child 3-6 years old, 8,100 kroner if 7-17 years of age.

General supplement: 4,764 kroner a year per child (if single provider, pensioner, etc.).

Extraordinary supplement: 3,640 kroner a year (for single parent or pensioner).

Special supplement: 18,288 kroner a year (orphans) or 9,132 kroner (children of pensioners and children of only one parent) multiple